

## Economic Affairs - 6

## Senate-, House-Passed Fiscal 1987 Budget Resolutions

(In billions of dollars; totals may not add due to rounding.)

Category	<i>Request</i>	Senate-Passed Resolution			House-Passed Resolution		
		FY 1987	FY 1988	FY 1989	FY 1987	FY 1988	FY 1989
<b>National Defense</b>							
Budget Authority		\$301.0	\$312.2	\$327.2	\$285.0	\$295.5	\$306.5
Outlays		282.0	291.8	305.1	276.2	281.4	290.5
<b>International Affairs</b>	22.6 18.6						
Budget Authority		17.9	18.0	17.3	17.0	17.3	15.9
Outlays		14.2	14.1	13.6	13.8	13.6	12.9
<b>Science and Space</b>							
Budget Authority		9.3	9.4	10.0	8.8	8.8	8.8
Outlays		9.1	9.2	9.5	8.8	8.8	8.7
<b>Energy</b>							
Budget Authority		4.7	6.0	5.8	4.9	4.7	4.8
Outlays		4.6	5.6	5.2	4.9	4.2	3.8
<b>Natural Resources</b>							
Budget Authority		12.5	12.6	12.4	12.0	12.0	11.8
Outlays		12.6	12.6	12.7	12.3	12.2	12.2
<b>Agriculture</b>							
Budget Authority		23.8	26.1	25.3	23.8	26.0	25.3
Outlays		23.5	24.9	21.6	23.6	24.8	21.6
<b>Commerce and Housing</b>							
Budget Authority		10.0	10.5	7.5	9.8	9.4	7.6
Outlays		3.5	6.3	1.4	2.2	5.1	1.3
<b>Transportation</b>							
Budget Authority		26.8	26.5	26.6	24.6	26.4	26.3
Outlays		27.8	26.7	26.8	25.5	26.5	26.4
<b>Community Development</b>							
Budget Authority		6.9	7.2	7.1	6.3	6.5	6.5
Outlays		7.2	7.0	6.8	7.0	7.1	6.6
<b>Education and Social Services</b>							
Budget Authority		33.2	30.3	30.2	33.8	32.9	33.8
Outlays		30.6	31.2	30.6	30.6	32.3	33.1
<b>Health</b>							
Budget Authority		38.6	40.5	42.5	38.7	40.5	42.7
Outlays		38.3	40.6	42.4	38.4	40.7	42.8
<b>Medicare</b>							
Budget Authority		82.9	90.9	100.8	83.0	91.4	101.5
Outlays		72.8	80.5	88.8	73.4	81.9	91.4
<b>Income Security</b>							
Budget Authority		161.4	169.3	173.1	165.3	172.9	176.5
Outlays		121.4	127.7	132.4	121.4	127.2	130.6
<b>Social Security</b>							
Budget Authority		228.4	260.5	286.5	228.7	257.0	281.4
Outlays		209.4	223.2	238.6	209.4	223.3	238.6
<b>Veterans' Benefits</b>							
Budget Authority		27.0	27.3	27.4	27.1	27.5	27.3
Outlays		26.5	26.9	27.1	26.7	27.1	26.9
<b>Justice</b>							
Budget Authority		7.2	7.1	7.0	7.2	7.2	7.3
Outlays		7.2	7.1	7.1	7.2	7.3	7.4
<b>General Government</b>							
Budget Authority		5.5	5.9	6.1	5.8	6.2	6.2
Outlays		5.4	5.9	6.1	5.7	6.1	6.2
<b>General Fiscal Assistance</b>							
Budget Authority		2.0	2.0	2.1	1.9	1.9	2.0
Outlays		2.8	2.0	2.1	2.7	1.9	2.0
<b>Net Interest</b>							
Budget Authority		143.9	152.0	149.8	143.9	151.5	149.0
Outlays		143.9	152.0	149.8	143.9	151.5	149.0
<b>Allowances</b>							
Budget Authority		0.5	1.9	2.1	0.5	1.6	2.7
Outlays		0.5	2.0	2.2	0.5	1.7	2.9
<b>Offsetting Receipts</b>							
Budget Authority		-42.1	-46.1	-45.8	-42.1	-37.1	-38.3
Outlays		-42.1	-46.1	-45.8	-42.1	-37.1	-38.3
<b>TOTALS</b>							
Budget Authority		\$1,101.3	\$1,170.0	\$1,220.9	\$1,086.4	\$1,159.7	\$1,205.4
Outlays		1,001.2	1,051.2	1,084.0	994.3	1,047.1	1,076.2
Revenues		857.2	941.2	1,011.9	857.2	941.2	1,011.9
Deficit		144.0	110.1	72.1	137.1	105.9	64.3
Gramm-Rudman Targets		144.0	108.0	72.0	144.0	108.0	72.0

SOURCES: Senate Budget Committee, House Budget Committee

## SENATE

## HOUSE

- A portion of the savings assumed in the budget resolution would be achieved by freezing discretionary budget authority for most non-defense programs in fiscal 1987-89 at fiscal 1986 levels, resulting in spending levels below the CBO baseline. The Senate budget resolution makes exceptions to this comprehensive freeze, which are noted elsewhere in the assumptions.

Domestic  
Spending  
Freeze

- The House resolution also assumes a freeze at fiscal 1986 spending levels for three years. Like the Senate, the House makes exceptions to the freeze, particularly for so-called "high-priority" programs, including those serving children, low-income persons and veterans, as well as law enforcement and embassy security.
- The House resolution also assumes a 2.5 percent cut in many non-defense discretionary programs. The spending cut, which also exempts certain "high-priority" programs, would be calculated after all other adjustments to domestic spending outlined below are calculated.

## Defense

- Budget authority would be \$301 billion in fiscal 1987, \$312.2 billion in 1988 and \$327.2 billion in 1989. The figures reflect a 2.8 percent increase in fiscal 1987 to allow for inflation and 1 percent increases above inflation in 1988 and 1989. Reagan had requested fiscal 1987 budget authority of \$320.3 billion, reflecting an estimated 8 percent growth above inflation. In fiscal 1987, outlays would be \$282 billion, the same outlay figure requested by the president, but derived from a different, CBO-computed rate of spending. Outlays would be \$291.8 billion in fiscal 1988 and \$305.1 billion in 1989.
- Military and civilian defense employees' pay increases of 2 percent in January of each year, 1987-89, are assumed.
- Already-enacted reconciliation provisions relating to third-party insurance reimbursement for certain treatment performed in military hospitals and advance funding of civilian retirement credited because of military service (contained in HR 2672, a federal employee retirement bill) are assumed. (Related story, p. 1092)
- Fuel cost savings in fiscal 1987 due to falling oil prices are projected at \$2.0 billion.

- Budget authority would be \$285 billion in fiscal 1987, \$295.5 billion in 1988 and \$306.5 billion in 1989. Outlays would be \$276.2 billion in fiscal 1987, \$281.4 billion in 1988 and \$290.5 billion in 1989. New spending authority would be \$1.8 billion less than fiscal 1986.
- Of the fiscal 1987 budget authority, \$3 billion would not be available to the Appropriations committees until the defense secretary accounts for how fiscal 1986 inflation adjustments were used. (Related story, p. 1096)
- Military and civilian defense employees would receive 3 percent pay raises in January of each year, 1987-89.

International  
Affairs

- To proceed with enhanced security of U.S. embassies, but at a slower pace than previously anticipated, State Department salaries and expenses would rise 15 percent and the appropriation for foreign buildings would rise 65 percent.
- Foreign aid spending would be reduced 11 percent below a freeze. If aid programs for Egypt, Israel and nations where the United States has full access to local military bases are fully funded, the president's request for aid to other nations would be cut by a third. (Related stories, pp. 1099, 1101)
- The administration's request for more aid to the Philippines would be achieved by disbursing existing appropriations accounts in fiscal 1986 rather than in the two following years, as previously assumed.
- Foreign broadcasting and exchange activities would be cut 10 percent below a freeze.
- Financing of \$1.1 billion for the Export-Import Bank direct loan program is assumed, no change in the current budget authority level; this amount would have to be reduced if new export financing programs, such as a \$300 million "Fair Export Financing" program, or the administration's \$1.8 billion "match" program of guaranteed private loans with reduced interest rates, were desired.

- To enhance security of U.S. embassies, State Department budget authority would rise \$1.1 billion in fiscal 1987, but \$650 million of that would be cut from other State Department programs.
- Foreign aid outlays would be reduced overall by about 10 percent, to \$12.3 billion. This would require a cut of \$2.1 billion in budget authority.